

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

**FORM 8-K**

**CURRENT REPORT**

**PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

**Date of Report (Date of Earliest Event Reported): April 27, 2011**

**Geospatial Holdings, Inc.**

(Exact Name of Registrant as Specified in its Charter)

Nevada  
(State or other jurisdiction of incorporation)

333-04066  
(Commission File Number)

87-0554463  
(IRS Employer Identification Number)

229 Howes Run Road, Sarver, PA 16055  
(Address of principal executive offices)

(724) 353-3400  
(Registrant's telephone number, including area code)

N/A  
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**Item 1.01. Entry into a Material Definitive Agreement.**

On April 27, 2011, Geospatial Holdings, Inc. (the "Company") entered into an Engagement Letter (the "Agreement") between the Company and Pace Financial Services, LLC ("PFS"). The Agreement is attached as Exhibit 10.1 hereto, and is incorporated herein by reference.

Pursuant to the Agreement, PFS will act as the Company's exclusive financial advisor with respect to a transaction involving the sale of approximately \$5 million of the Company's common stock in a private placement transaction or series of transactions (the "Transaction") to be effected during the second quarter of 2011.

As compensation to PFS for services as exclusive financial advisor provided pursuant to the Agreement, the Company will pay PFS a transaction fee of warrants to purchase the Company's common stock equal to eight percent (8%) of the total number of new shares sold pursuant to the Transaction, excluding shares issued to the Company's creditors as consideration for the forgiveness of outstanding obligations, exercisable at 125% of the price of the securities sold pursuant to the Transaction, for a term of five years.

The term of the Agreement is for 120 days beginning April 27, 2011, after which it shall remain in force for successive thirty (30) day periods until terminated by either party at least fifteen (15) days prior to the end of the term.

PFS is a wholly-owned subsidiary of Pace Global Energy Services, LLC ("Pace Global"). Timothy F. Sutherland serves on the Company's Board of Directors, and is Pace Global's Chairman and CEO.

**Item 3.02. Unregistered Sales of Equity Securities.**

Pursuant to the Agreement, the Company will pay PFS a transaction fee of warrants to purchase the Company's common stock equal to eight percent (8%) of the total number of new shares sold pursuant to the Transaction, excluding shares issued to the Company's creditors as consideration for the forgiveness of outstanding obligations, exercisable at 125% of the price of the securities sold pursuant to the Transaction, for a term of five years. The issuance of warrants to purchase the Company's common stock contemplated pursuant to the Agreement will take place in a private placement or series of private placements pursuant to the exemption from the registration requirements of the Securities Act of 1933, as amended (the "Securities Act") provided by Section 4(2) of the Securities Act and/or Rule 506 of Regulation D, and the Company will conduct the private placements without any general solicitation or advertisement and with a restriction on resale.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits

Exhibit No.	Description
10.1	Engagement Letter dated April 27, 2011 between Geospatial Holdings, Inc. and Pace Financial Services, LLC.



payable in Company common stock warrants equal to eight percent (8.0%) of the total number of new shares sold through this placement (excluding shares issued to the Company's creditors as consideration for forgiveness of outstanding obligations, and specifically shares issued to Reduct/Delta Networks, and Settlement Shares, as defined in the April 11, 2011 SEC 8K filing), and which shall be exercisable at 125% of the price of the securities sold to investors via this offering, and that shall have a term of five (5) years. If the financing instruments are non equity-linked debt or loan instruments, then the Transaction Fee shall be in the form of common stock warrants equal to eight percent (8.0%) of the value of the capital raised through the Transaction divided by the Company's average public share price valuation over the first full trading day subsequent to the completion of the Transaction, exercisable at 125% of the Company's average share price valuation over the first full trading day subsequent to the completion of the Transaction, and valid for a term of five (5) years.

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B. For each Transaction that occurs during the term of this Agreement or within twelve (12) months of its termination, the Company shall pay to PFS the Transaction Fee in accordance with Section 3.A. immediately upon each receipt of Aggregate Consideration (each a "Due Date"). "Aggregate Consideration" shall mean the total proceeds and other consideration paid or received or to be paid or received in connection with a Transaction (which shall include amounts paid into an escrow account or amounts held back by a Purchaser to satisfy future obligations), including but not limited to: (i) cash; (ii) notes, securities, and other property; (iii) payments to be made in installments; (iv) contingent payments (whether or not related to future earnings or operations) including, without limitation, earn-outs or deferred performance-based payments; and (v) for asset transactions only, any amount of liabilities for borrowed money assumed by the Purchaser.

C. PFS shall have the right to enter Finder's Fee Agreements with parties ("Finders") that refer names and contact information of potential investors in the Transaction. The activities of such Finders, if engaged, will be limited to introducing prospective investors to PFS.

D. Because PFS is a wholly-owned subsidiary of a company whose CEO is on the Company's Board of Directors, the compensation and other terms set forth herein were negotiated on an arm's-length basis and the Company undertook commercially reasonable efforts to ensure that the terms contained herein are industry standard.

4. **Expenses.** The Company shall reimburse PFS for all reasonable out-of-pocket expenses incurred, including travel-related expenses and the fees and expenses of legal counsel, if any, and any other advisor retained by PFS (who shall only be engaged with the prior approval of the Company), resulting from or arising out of this engagement. Any such expenses which exceed \$10,000 in the aggregate shall not be incurred without the Company's prior consent.

5. **Confidentiality.** No advice rendered by PFS, whether formal or informal, may be disclosed, in whole or in part, or summarized, excerpted from or otherwise referred to without our prior written consent. In addition, PFS may not be otherwise referred to without its prior written consent. This Agreement shall be governed by that Confidentiality Agreement signed by the Company and PFS' affiliate Pace Global Energy Services, LLC and dated February 3, 2010.

6. **Indemnity.** The Company agrees to indemnify, defend and hold PFS harmless to the fullest extent permitted by law, from and against any losses, claims, damages, liabilities and expenses in connection with any matter in any way relating to or referred to in the Agreement or arising out of the matters contemplated by the Agreement, except to the extent that it shall be determined by a court of competent jurisdiction in a judgment that has become final (in that it is no longer subject to appeal or other review) that such losses, claims, damages, liabilities and expenses resulted solely from the gross negligence or willful misconduct of PFS. In addition, in the event that PFS becomes involved in any capacity in any proceeding in connection with any matter in any way relating to or referred to in the Agreement or arising out of the matters contemplated by the Agreement, the Company will reimburse PFS for its reasonable legal fees and related expenses (including the cost of any investigation and preparation) as such expenses are incurred by PFS in connection therewith.

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The Company will not settle any proceeding in respect of which indemnity may be sought hereunder, without PFS' prior written consent. For purposes of this indemnification provision, all references to PFS shall also include its affiliates, each other person, if any, controlling PFS or any of its affiliates, their respective officers, current and former directors, employees and agents, and the successors and assigns of all of the foregoing persons. The foregoing indemnity and contribution agreement shall be in addition to any rights that any indemnified party may have at common law or otherwise.

7. **Limitation of Liability.** The Company agrees that neither PFS nor any of its affiliates, directors, agents, employees or controlling persons shall have any liability to the Company or any person asserting claims on behalf of or in right of the Company in connection with or as a result of either PFS' engagement under the Agreement or any matter referred to in the Agreement, except to the extent that it shall be determined by a court of competent jurisdiction in a judgment that has become final (in that it is no longer subject to appeal or other review) that any losses, claims, damages, liabilities or expenses incurred by the Company resulted solely from the gross negligence or willful misconduct of PFS in performing the services that are the subject of the Agreement. Further, PFS aggregate liability hereunder shall not exceed the amount collected by PFS from the Company for services rendered under this Agreement.

Neither party hereto shall be liable to the other party for any consequential, special, incidental, multiple, exemplary or punitive damages for performance or non-performance under this Agreement or for any actions undertaken in connection with or related to this Agreement, including, without limitation, damage claims based on causes of action for breach of contract, tort or any other theory of recovery. For the avoidance of doubt, nor shall either party hereto be liable to the other party for any claim of lost profits, whether such claim of lost profits is categorized under this Agreement as indirect, direct or consequential damages or under any alternative theory of recovery.

8. **Term.** This Agreement shall be effective as of the date set forth above (the "Effective Date") and shall remain in effect for 120 days from the Effective Date (the "Initial Term"). The Agreement shall remain in force after the Initial Term for successive 30 day periods (each a "Renewal Term"), unless and until either PFS or Company has provided to the other party written notice of its election to not renew this Agreement at least 15 days prior to the end of the Initial Term or any Renewal Term. In the event of termination of PFS' engagement hereunder, PFS will continue to be entitled to its full Transaction Fee provided for herein if, within twelve (12) months of such termination, the Company closes on a Transaction; and provided, further, that any termination of PFS' engagement hereunder shall not affect the Company's obligations to pay other fees and expenses to the extent provided for herein, and to indemnify PFS and certain related persons and entities as provided for herein. In the event of termination Pace shall be reimbursed for expenses incurred in accordance with Section 4 if a party exercises such right to terminate.

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9. **Advertisement.** Upon the consummation of any Transaction, PFS may, at its own expense, place announcements on its website and in financial and other newspapers and periodicals (such as a customary "tombstone" advertisement, including the Company's logo or other identifying marks) describing its role in the Transaction. The content of any such announcement shall be subject to the Company's prior approval, which approval shall not be unreasonably withheld. Furthermore, if requested by PFS, the Company will include in any press release announcing a Transaction, a mutually acceptable reference to PFS's role as

financial advisor to the Company.

10. **Disputes.** This Agreement and any claim, counterclaim or dispute of any kind or nature whatsoever arising out of or in any way relating to this agreement or the services rendered hereunder (“**Claim**”), directly or indirectly, shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia, and except as set forth below, no claim may be commenced, prosecuted or continued in any court other than the courts located in the Commonwealth of Virginia or in the United States District Court for the Eastern District of Virginia, which courts shall have exclusive jurisdiction over the adjudication of such matters, and the Company and PFS consent to the jurisdiction of such courts and personal service with respect thereto. The Company hereby consents to personal jurisdiction, service and venue in any court in which any claim arising out of or in any way relating to this Agreement is brought by any third party against PFS or any indemnified party hereunder. PFS AND THE COMPANY WAIVE ALL RIGHT TO TRIAL BY JURY IN ANY PROCEEDING (WHETHER BASED UPON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR IN ANY WAY RELATING TO THIS AGREEMENT. The Company agrees that a final judgment in any proceeding or claim arising out of or in any way relating to this Agreement brought in any such court shall be conclusive and binding upon the Company and may be enforced in any other courts of jurisdiction of which the Company is or may be subject, by suit upon such judgment. Should either party hereto prevail by a final unappealable judgment in any judicial or arbitral action to enforce any right under this Agreement, the non-prevailing party shall be liable to the prevailing party for the prevailing party’s reasonable attorneys’ fees.

11. **Assignment or Subcontract.** Neither party may assign, subcontract or transfer any right, duty or obligation under this Agreement without the prior written consent of the other party. Notwithstanding the foregoing, Client hereby consents to PFS assigning or subcontracting this Agreement in whole or in part to a parent, subsidiary, affiliate or other entity that is under common control (each a “PFS Affiliate”). The terms, conditions and obligations of this Agreement shall inure to the benefit of and be binding upon the Parties hereto and the respective successors and assigns thereof.

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12. **Survival of Provisions.** All provisions of this Agreement, which are expressly or by implication to come into or continue in force and effect after the expiration or termination of this Agreement, shall remain in effect and be enforceable following such expiration or termination.

13. **Transaction Exclusion.** The issuance of Company’s common stock to any PFS Affiliate is not considered a Transaction for the purposes of this Agreement.

14. **Miscellaneous.** In connection with this engagement, PFS is acting as an independent contractor and not in any other capacity, with duties owing solely to the Company. Accordingly, nothing herein shall be construed to make the parties joint ventures or partners or to create any relationship of principal and agent. This Agreement is made and entered into solely between and for the benefit of PFS and the Company and is not intended to convey any rights or benefits to any third party. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect pursuant to the terms hereof. No waiver, alteration, or modification of any of the provisions hereof shall be binding unless in writing and signed by officers of both parties hereto. This Agreement may be executed in multiple counterparts, each of which shall constitute an original, but all of which when taken together shall constitute one and the same agreement.

We are delighted to accept this engagement and look forward to working with you on this assignment. Please confirm that the foregoing is in accordance with your understanding by signing and returning to us the enclosed duplicate of this agreement. The letter signed by you shall constitute a binding agreement between us as of the date executed by you.

Very truly yours,

Pace Financial Services, LLC

Name: Daniel Blanchard  
Title: Managing Director  
Date: 04/27/2011  
Signature: /s/ Daniel I. Blanchard

Accepted and Agreed:

Geospatial Holdings, Inc.

Name: Mark Smith  
Title: Chief Executive Officer  
Date: 04/28/11  
Signature: /s/ Mark A Smith

